

**2023-2024 SOLANCO SCHOOL DISTRICT**

**PROPOSED FINAL GENERAL FUND  
BUDGET**

**June 5, 2023**

# PROPOSED FINAL 2023-24 GENERAL FUND BUDGET

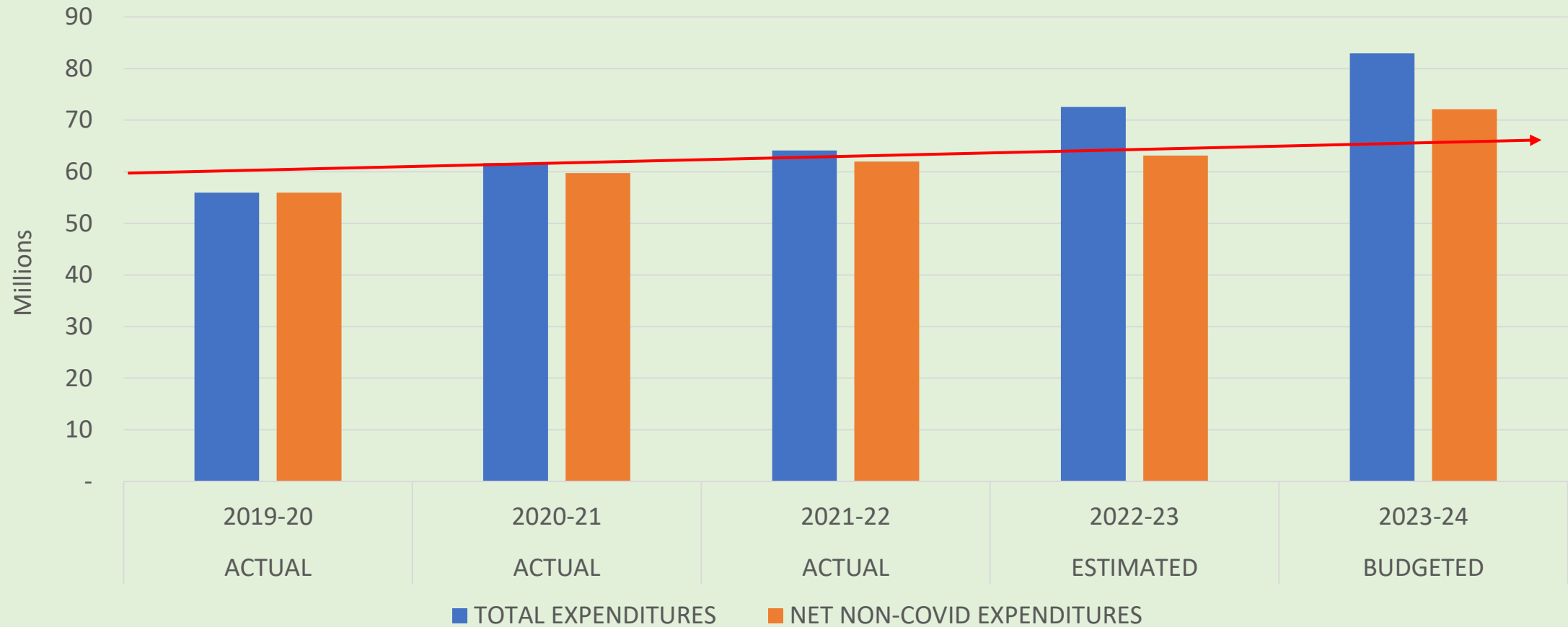
Revenues Sources \$'s	<u>2019-20 Actual</u>	<u>2020-21 Actual</u>	<u>2021-22 Actual</u>	<u>Budgeted 2022-23</u>	<u>2022-23 Estimated</u>	<u>Proposed 2023-24</u>
Local	35,857,916	36,852,900	38,880,149	38,923,608	40,747,758	41,616,359
State	20,629,535	20,659,185	20,846,717	21,100,001	21,960,013	23,702,709
Federal	2,123,977	4,303,208	5,224,215	19,842,057	9,895,932	<b>17,281,323</b>
Other	16,370	13,601	16,469	210,000	2,775	110,000
Total Revenue:	58,627,798	61,828,896	64,967,550	80,075,666	72,606,478	<b>82,710,391</b>
Total Expenditures:	56,050,620	61,662,263	61,662,263	80,882,647	72,545,850	<b>82,911,379</b>
Variance: Revenues over Expenditures	2,577,178	166,633	166,633	<b>(806,981)</b>	60,628	<b>(200,988)</b>

## 2023-2024 PROPOSED BUDGET SUMMARY OF EXPENDITURES BY FUNCTION

	Actual 2019-20	Actual 2020-21	Actual 2021-22	Budget 2022-23	Estimated 2022-23	Proposed 2023-24	\$ Budget to Budget	Percent Change
Instruction	32,973,350	34,934,838	36,973,265	38,494,527	38,671,854	40,152,475	1,657,948	4.31 %
Student Support	17,597,992	17,817,706	20,317,837	22,262,276	22,160,896	23,839,076	1,576,800	7.08 %
Student Activities	1,046,744	1,078,756	1,210,271	1,278,825	1,313,561	1,332,765	53,940	4.22 %
Other Uses	4,432,534	7,830,963	5,598,144	<b>18,847,020</b>	10,399,540	<b>17,587,063</b>	(1,259,957)	(6.69)%
TOTAL	56,050,620	61,662,263	64,099,517	80,882,647	72,545,850	82,911,379	2,028,732	2.51%

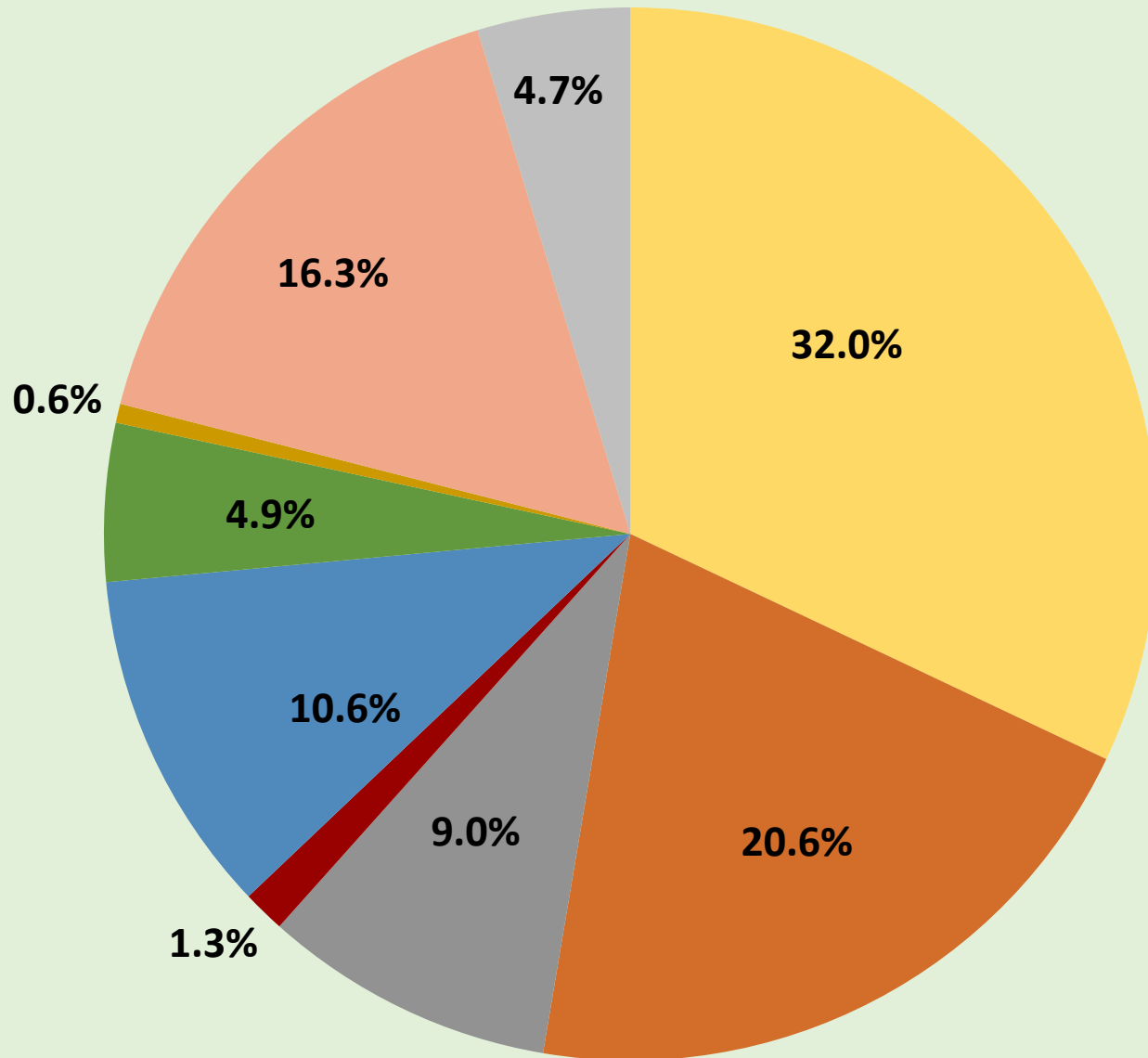
‘Other Uses’ include transfers to Capital Project for HVAC and other building improvements paid with ESSER federal funds.

# EXPENDITURES LESS COVID FUNDING IMPACT



Annual Net Expenditures During 2019-20 Through 2022-23 Increased on Average 4%, Significantly Less than Total Expenditures - COVID Funding Impact.

# Proposed 2023-24 Expenditures



- 100 SALARIES
- 200 EMPLOYEE BENEFITS
- 300 PROFESSIONAL & TECHNICAL SERVICES
- 400 PURCHASED PROPERTY SERVICES
- 500 OTHER PURCHASED SERVICES
- 600 SUPPLIES
- 700 PROPERTY
- 800 OTHER OBJECTS

'OTHER OBJECTS' PRIMARILY COMPRISED OF TRANSFERS TO CAPITAL PROJECT FUND

# 2023-2024 BUDGETED BENEFITS AS PERCENTAGE OF PAYROLL

TOTAL ESTIMATED BENEFITS - \$17,825,084  
(69.4% of Payroll)

## INDIVIDUAL BENEFIT RATES:

PSERS RETIREMENT – 35.3%

HEALTHCARE – 23.0%

SOCIAL SECURITY – 7.65%

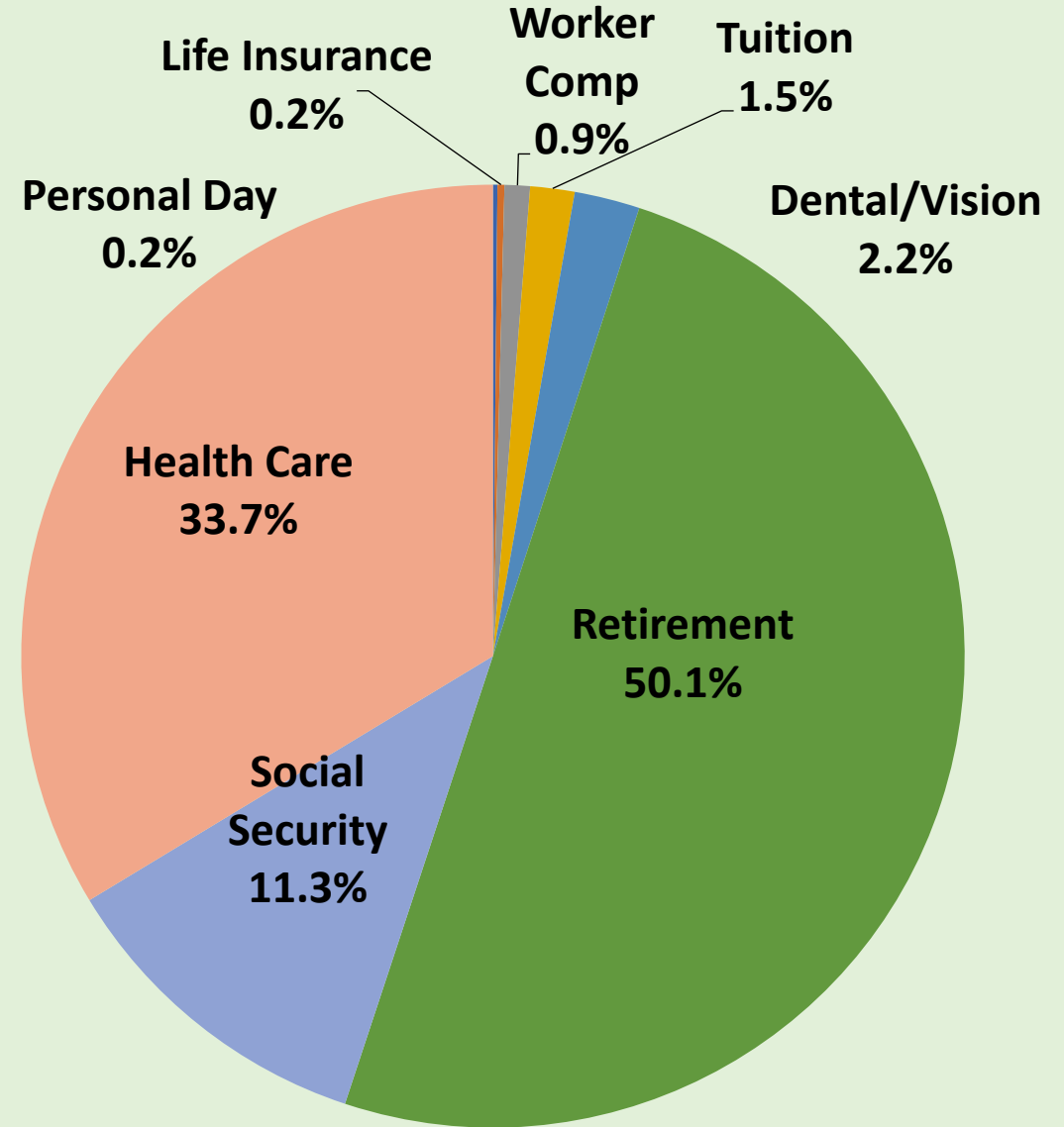
DENTAL & VISION REIMBURSEMENTS – 1.6%

TUITION – 1.2%

WORKER COMPENSATION – 0.6%

GROUP TERM LIFE INSURANCE – 0.2%

PERSONAL DAY – 0.1%



BENEFIT % OF TOTAL BENEFITS

# PAYROLL/BENEFIT HISTORIC TREND

	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ESTIMATED	PROPOSED
	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>
Payroll	21,824,975	21,864,126	22,271,157	22,259,093	23,164,495	24,778,501	26,559,041
Benefits	13,209,177	13,855,742	14,100,035	14,277,178	15,872,805	16,148,160	17,098,102
Combined Totals	35,034,151	35,719,868	36,371,193	36,536,271	39,037,300	40,926,661	43,657,143
\$ Increase	417,907	685,717	651,325	165,078	2,501,029	1,889,361	2,730,482
% Increase	1.2%	2.0%	1.8%	0.4%	6.8%	7.5%	6.7%

School District lost significant portion of workforce during pandemic and struggles to regain staff. Shortage of available staff and increased competition resulted in higher payroll costs. Additional staff hired to address student needs including two teachers, assistant principal, four special needs aides, custodians.

# Proposed vs. Preliminary 2023-2024 Revenue Budget

## Taxable Property Assessed Value Increase

- Total District Property Assessment Growth 1.1%
- State Subsidies Unknown
- Preliminary Entitlement Grant Estimates - \$456,691 Reduction (Title 1, Title 2, Title 4)
- \$200,000 Self Insurance-Hospitalization Fund Transfer to GF



# 2023-24 Budgeted Expenditures

- Payroll & Benefits
  - Estimated Increase of \$2.7 Million or 6.7%
  - Healthcare and RX Claims Increased \$400,000 or 10%
- Fuel – Estimated Cost Reduction of \$312,000 or 38%
  - Paper, Supplies, Equipment, Contracted Personnel, Maintenance & Repair Services, Utilities
  - Increased Demand for Student Support Services
    - Therapy, Counseling, Behavioral Specialists, Nurses
  - 10% Increase in Student Transportation Services
    - Contracted Two Additional Routes
  - Charter School Tuition
- Facility Upgrades (HVAC, Security, Safety)
  - Cost for all Mechanical, Electrical, Plumbing Upgrades - \$28 million

# 2023-2024 Millage Rate

- Solanco Tax Assessed Property Value = \$2,5 billion
- Solanco 2023-24 Adjusted Act 1 Index = 4.7%
- 2023-24 Budget Based on **4%** Increase, not full index
- Proposed Real Estate Tax Millage Rate = **12.2696**
  - 0.4719 Mill Increase
  - \$47.19 Tax Increase per \$100,000 Assessed Value
  - Collection Rate to 96%
- Property Tax Reduction – Slightly Lower than PY
  - Homestead/Farmstead Reduction = **\$100.72**

# LONG TERM FISCAL PLANNING

- Board has limited ability to generate revenue
- No guaranteed funding commitments from federal or state governments
- Act 1 regulations restrict ability to generate local revenue
- ESSER federal funds contain spending restrictions
  - Solanco focusing spending on 'return of investment'
  - Staff training, HVAC upgrades, student support services, replacement custodial equipment
- Future capital projects
  - HVAC system upgrades for all school buildings
  - Security upgrades
  - Administrative Office Replacement
  - Technology Upgrades
- Fund Balance Commitments

**MUST BE IN SOLID  
FINANCIAL CONDITION  
TO SURVIVE 'ESSER  
FUNDING CLIFF' AND  
MAINTAIN SUFFICIENT  
STAFFING**

# Next Steps

## BOARD ACTIONS

- Approve
  - Final Budget Resolution
  - Homestead/Farmstead Resolution
  - Tax Levy Resolution

## BUSINESS OFFICE

- Print and Mail Tax Bills - July 1, 2023
- File General Fund Budget with PDE
- Finalize 2022-2023 Fiscal Year Accounting and Audit
- Issue Purchase Orders for 2023-24 Fiscal Year
- Ongoing Review of 2023-2024 Budget Estimates



Thank you!  
Any Questions?

